1	UNITED STATES DISTRICT COURT		
2	DISTRICT OF MINNESOTA		
	DISTRICT OF MINNESOTA		
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5	In re: ) Civil 05-MD-1708 (DWF/AJB)		
6	) GUIDANT CORPORATION ) STATUS CONFERENCE		
7	IMPLANTABLE DEFIBRILLATOR ) PRODUCTS LIABILITY )		
8	LITIGATION, )		
9	)		
10	This Document Relates ) To All Actions ) 3:20 o'clock, p.m.		
11	) December 17, 2007 ) Minneapolis, Minnesota		
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15	THE HONORABLE JUDGE DONOVAN W. FRANK		
16	THE HONORABLE MAGISTRATE JUDGE ARTHUR J. BOYLAN		
17	UNITED STATES DISTRICT COURT JUDGES		
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19	THE HONORABLE JUDGE WILLIAM LEARY		
20	MINNESOTA STATE COURT JUDGE		
21			
22	* * *		
23			
24	JEANNE M. ANDERSON Registered Merit Reporter		
25	Suite 646, 316 North Robert Street St. Paul, Minnesota 55101		
د ک	(651) 848-1221		

1	APPEARANCES:
2	
3	LEAD PLAINTIFF COUNSEL:
4	
5	Charles S. Zimmerman, Esq.
6	Zimmerman Reed 651 Nicollet Mall, Suite 501
7	Minneapolis, MN 55402-4123 (612) 341-0400
8	
9	And
10	
11	Richard Arsenault, Esq.
12	Neblett, Beard & Arsenault 2200 Bonaventure Court
13	Alexandria, LA 71301 (318) 487-9874
14	
15	And
16	
17	Elizabeth Cabraser, Esq.
18	(By telephone) Lieff, Cabraser, Heimann
19	& Berstein, LLP 275 Battery Street, 30th Floor
20	San Francisco, CA 94111-3339 (415) 956-1000
21	n J
22	And
23	Wendy R. Fleischman, Esq.
24	Lieff, Cabraser, Heimann & Berstein, LLP
25	780 Third Avenue, 48th Floor New York, NY 10017-2024 (212) 355-9500

1	APPEARANCES (Continued)	:
2		
3	LEAD PLAINTIFF COUNSEL	(Continued):
4		
5		Seth R. Lesser, Esq. Locks Law Firm, PLLC
6		110 East 55th Street New York, NY 10022
7		(212) 838-3333
8		
9	PLAINTIFF STEERING COMM	ITTEE:
L0		
11		Silvija A. Strikis, Esq.
L2 L3		Kellogg, Huber, Hansen Todd, Evans & Figel, PLLC
L3 L4		Sumner Square 1615 M Street, N.W. Suite 400
L5		Washington, D.C. 20036 (202) 326-7939
L6		
L7	And	
L8		
L9		Robert R. Hopper, Esq.
20		Zimmerman Reed 651 Nicollet Mall, Suite 501
21		Minneapolis, MN 55402-4123 (612) 341-0400
22		
23	FOR THE PLAINTIFFS:	Elizabeth Peterson, Esq.
24		Zimmerman Reed 651 Nicollet Mall, Suite 501
25		Minneapolis, MN 55402-4123 (612) 341-0400

```
APPEARANCES (Continued):
1
2
 3
4
    PLAINTIFF LIAISON COUNSEL:
5
6
7
                              Charles S. Zimmerman, Esq.
                              Zimmerman Reed
                              651 Nicollet Mall, Suite 501
8
                              Minneapolis, MN 55402-4123
9
                              (612) 341-0400
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

1	APPEARANCES (Continued):
2	
3	LEAD DEFENDANT COUNSEL:
4	Timothy A. Pratt, Esq.
5	Shook, Hardy & Bacon, LLP 2555 Grand Boulevard
6	Kansas City, MO 64108-6550 (816) 474-6550
7	(010) 1/1 000
8	
9	FOR THE DEFENDANT:
10	
11	
12	Deborah A. Moeller, Esq. Jeffrey S. Nelson, Esq.
13	Shook, Hardy & Bacon, LLP 2555 Grand Boulevard
14	Kansas City, MO 64108-6550 (816) 474-6550
15	
16	
17	And
18	
19	Jean Holloway, Esq. Boston Scientific
20	Vice President, Legal - CRM
21	
22	
23	
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25	

(In open court.) 1 THE HONORABLE JUDGE DONOVAN FRANK: 2 Thank 3 you, Danielle. You may be seated. Danielle was nervous announcing us because the last time she -- I hope she won't mind me saying 5 this -- announced me, where were we? We were here, so 6 7 my calendar clerk didn't have to be here. And she announced me as the Honorable Donald Frank. 8 And I actually thanked her for it. Му 10 father, who is no longer living, he was neither a lawyer or a judge, but I thanked her for honoring him because 11 12 she didn't know that was the name of my late father. 13 So, I am sure he would be proud he was introduced as a Federal Judge in Minnesota. 14 So --15 THE HONORABLE MAGISTRATE JUDGE BOYLAN: Off 16 the record. (Discussion off the record.) 17 18 THE HONORABLE JUDGE DONOVAN FRANK: 19 on the record. 20 Why don't we start with Plaintiffs first? Wе are here for a status conference and to seek input from 21 22 counsel on the status, specifically, of what I will 23 refer to as a settlement or Master Settlement Agreement. 24 Maybe before we actually have Mr. Zimmerman

make any presentation to the Court, shall we just go

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    around the room and people can note their presence for
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    the record? We can start with your group, Mr.
    Zimmerman?
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                MR. ZIMMERMAN: Yes, Your Honor, my name is
    Charles Zimmerman. I am one of the lead counsel for the
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    Plaintiffs.
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                MR. LESSER: Good morning, Your Honor --
    good afternoon, Your Honor. Seth Lesser, also a lead
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    counsel for the Plaintiffs.
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                MR. ARSENAULT: Richard Arsenault, Lead
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    Counsel Committee.
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                MR. HOPPER: Good afternoon, Your Honor,
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    Randy Hopper for the PSC.
                MS. STRIKIS: Silvija Strikis for the PSC.
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                MS. FLEISHMAN: Wendy Fleishman for the
    Plaintiffs. And I believe Ms. Cabraser is on the
16
17
    telephone.
                THE HONORABLE JUDGE DONOVAN FRANK:
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                                                     I am
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    really disappointed you said that, because I was going
20
    to try to impress her by -- so we hadn't forgotten her,
21
    Ms. Cabraser, we will note your presence for the record.
22
                Would you like to do so, as well?
23
    thought she was on.
24
                (Discussion off the record.)
25
                THE HONORABLE JUDGE DONOVAN FRANK:
                                                    We have
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muted you, Ms. Cabraser, for the last five minutes.
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                MS. CABRASER: Well, it was probably all for
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    the good.
                THE HONORABLE JUDGE DONOVAN FRANK: Do you
    want to note your presence for the record before we move
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6
    on to other attorneys in the courtroom? The Plaintiffs'
7
    lawyers as lead counsel have just introduced themselves.
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                MS. CABRASER: Okay, certainly. Elizabeth
    Cabraser, Lead Counsel Committee. Thank you, Your
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10
    Honor.
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                THE HONORABLE JUDGE DONOVAN FRANK: I don't
12
    believe you introduced Ms. Peterson from the -- go right
    ahead?
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                MS. PETERSON: Elizabeth Peterson, Your Honor
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    from the Plaintiffs MDL.
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                THE HONORABLE JUDGE DONOVAN FRANK: And since
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17
    we have two representatives, here, who will be
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    officially -- by Order, they have been chosen by the
    Court as the Claim Administrator. Since we have two
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20
    representatives here, why don't you note your presence
21
    for the record before we go on to the counsel for the
22
    Defendant?
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                MR. SIMMONS: Richard Simmons, Your Honor,
24
    Analytics.
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                MR. BAUSER: Roger Bauser with Analytics.
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                SPECIAL MASTER JUNEAU: Your Honor, Patrick
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    Juneau, Assistant Special Master in the matter,
3
    assisting Judge Boylan.
                THE HONORABLE JUDGE DONOVAN FRANK:
                                                     MΥ.
    Pratt?
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                MR. PRATT: Your Honor, Tim Pratt
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    representing the Guidant Companies. I want to say that
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    on behalf of the defense community, we have been trying
    to mute Elizabeth Cabraser for many years. And I just
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10
    appreciate being a part of the process of getting it
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    accomplished today if only pleadingly.
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                MS. HOLLOWAY: Jean Holloway on behalf of the
    Guidant Defendants.
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                MS. MOELLER: Debbie Moeller on behalf of the
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15
    Defendants.
                MR. NELSON: Jeff Nelson on behalf of the
16
    Defendants.
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                THE HONORABLE JUDGE DONOVAN FRANK:
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                                                     Mr.
19
    Zimmerman?
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                MR. ZIMMERMAN: Tim, I have no mute button.
                            I know that.
21
                MR. PRATT:
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                MS. HOLLOWAY: We have been trying to find --
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                MR. ZIMMERMAN: But, you were trying to find
24
    it, I know.
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                Charles Zimmerman for Lead Counsel, Your
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Honor. It is a pleasure to appear before Your Honors,

Judge Leary and Judge Frank and Judge Boylan to formally
announce the finalization, execution and approval by
both sides of the aisle of the Confidential Master

Settlement Agreement.

I am not going to put the terms or conditions on the record as it is a confidential document. And I know we have spent a lot of time in ADR proceedings with Magistrate Judge Boylan and Special Master Juneau working this agreement out. But, this is the first time we have been able to discuss it as a feta compli, as a completed and executed document, and as one that now the parties are adjoined together to implement and provide as an opportunity for settlement of the 8,550 cases that come within its purview.

We are excited to offer all Plaintiffs, subject to this agreement, the opportunity to settle their case within this agreement. We are excited because we believe it is an excellent plan for resolving this MDL and all of the cases contained within this MDL, and also the cases that are in State Courts, most of them in front of Judge Leary in Ramsey County in St. Paul.

It was an agreement that was negotiated over many months, and it is an agreement that has many terms

and conditions associated with it. But, the most important condition is that it requires everyone to look at it, see if it fits their circumstances and to buy in on it on an individualized basis.

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There will be published a timeline for counsel and for clients to review the terms, receive their allocation amount, and decide if the terms and the allocation amount is satisfactory to them given their individualized circumstances.

That there will be a website available to people to review the generalized plan, the generalized timeframes, and the various forums to download and to review and execute. But, the actual document, the actual plan of allocation, the actual settlement agreement is a confidential matter, but only as to the public. And any lawyer who has a case within the 8,550, any client who has a case within the 8,550, of course this information will be totally available to them and totally accessible for their review.

The fact of the matter is, Your Honor, that the resolution of mass torts requires a lot of work. It requires a lot of consideration of various interests and various responsibilities from both sides of the aisle.

And this case came together, although it doesn't seem like it, it did come together in record time. We are

less than two years or approximately two years into this process. And here we are before Your Honor offering a total resolution of 8,550 cases that have come under your jurisdiction and under the jurisdiction of Judge Leary and other jurists around the country.

So, it is a proud moment for all concerned. We congratulate Guidant and its companies, Boston Scientific and their counsel, for making this a reality. We congratulate the Plaintiffs Steering Committee and the Lead Counsel for taking a leadership role in getting this resolution to where we are today. And we thank very much the Court for its guidance and support through what has been a very interesting and important resolution of a complex mass tort and medical device matter.

So, without saying too much more, Your Honor, I guess I will sit down and answer any questions that the Court may have. We have spent time with the Court in chambers reviewing the terms and conditions, and I believe the Court will make some comments about the settlement. But, at this time, I will leave it to defense counsel to make any further comments.

THE HONORABLE JUDGE DONOVAN FRANK: Mr.

Pratt?

MR. PRATT: Well, Your Honor, this is long in

coming. It took a lot of effort over 15 months to get to where we are today. We have a signed Master Settlement Agreement. Over the course of 15 months we debated among ourselves and with the Plaintiffs negotiating committee lots of concepts, lots of details, lots of different endgame strategies.

We ultimately ended up to where we are now with a settlement of 8,550 claims, a settlement that my client has deemed reasonable and in the best interest of patients who use its products. And we are committed to the idea that this is a global settlement that everyone who is a potential participant ought to be encouraged and indeed agree to participate in the settlement fund.

I agree with Mr. Zimmerman, this did not come without some decent effort. I want to commend my colleagues on the other side of the table. You know, we go way back with Mr. Zimmerman and Mr. Arsenault in our sessions with Judge Boylan.

Many other people became a part of the process. It doesn't get done, a deal like this, without a lot of open-mindedness, some element of patience, certainly a high dose of persistence, and at the end of the day an understanding of what is in the common interest of all of the stakeholders in the litigation:

They, the Plaintiffs; me, the Defendant companies.

I think it is also fair and it is a good symbol of it today that Judge Leary is here. These things work when you get coordination between Federal MDL Judges and State coordinating Judges, that has happened. And we appreciate Judge Leary's participation here today.

We've got good input and sign-off from
Plaintiffs who are heading up the proceedings before
Judge Leary, the consolidated proceedings in Minnesota.
We hope and expect that to continue at all levels. And
to you, Judge Frank, for sort of realizing this MDL
ought to be looked at as a potential endgame by
appointing Judge Boylan to be the ADR neutral in one of
your very first orders before anybody on either side or
anybody indeed in the courtroom had any interest in
talking settlement. And you set up a mechanism and a
process to get it done.

Certainly to Pat Juneau who came in a little late, but worked hard to keep the people together. But, I think as much as anybody, to Judge Boylan, who was tireless, relentless, showed excellent judicial demeanor -- except in those circumstances we deserved otherwise. But, never let us go home. I mean that, never let us go home in those instances where we certainly felt that was something that we wanted to do,

something that we declared we were going to do, but we didn't. And I think keeping us together, helping us share the ideas, looking for opportunities for compromise, if there is an architect of this, it is certainly Judge Boylan.

On behalf of the Defendants, I commend Judge Boylan for all of the work he put into that. And that is all I have, Your Honor.

THE HONORABLE JUDGE DONOVAN FRANK: Mr. Zimmerman, anything further?

MR. ZIMMERMAN: No, Your Honor, just my gratitude for everybody who has participated in it. And I join in Mr. Pratt's comments that it was truly an effort that required everybody to seek new ideas and new solutions and we did come up with them and we are very proud of what we did.

thought I would do is I will make a response, having read the approximately 25-page agreement and the term sheet or amended term sheet that preceded it, and having spent the last -- since probably -- now the time is roughly 3:35. We have been together, most of us, since 1:30 this afternoon. And this was set up to do just this.

And I appreciate being provided a copy as

soon as the agreement was made. And I was actually provided a copy, signed by all parties, yesterday. And so I have had a chance to -- or over the weekend, so I have had a chance to review it.

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Let me say this, and then I will leave it to the discretion, of course, of Judges Leary and Boylan on how much they wish to say from where they see the case.

One of the criticisms, apart from this case, publicly of class actions and specifically since this is not a class action, multi-district litigation cases, somehow individual plaintiffs get lost in the case.

And secondly, that there is a failure of coordination between Federal and State cases. And so then everybody gets swallowed up in one general Federal Thanks to the lawyers on the Plaintiffs' side of case. the aisle, the Defendant's side of the aisle, that largest concern for a Judge like myself, although ultimately responsible for not just moving a case and treating the case with priority, which the lawyers on both sides insisted on in this case, and appropriately so. The largest concern has been addressed. And that is, it is without any reservations that I recommend this 25-page settlement agreement and the options that it gives to individual Plaintiffs, because it is a unique case. Because it has, by my count, approximately 54

devices, and yet the settlement agreement has been set up in such a way to give discretion not only to Judge Boylan and Special Master Juneau, but to the Court so that it is set up in such a way that I am confident that it is not only fair, globally, but it is fair individually to individuals Plaintiffs.

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And I would actually go so far as to say, looking at the case, because of the bellwether system, representative trial system we use, there were a lot of decisions early made in the case, in part because all of the lawyers complied with the deadlines. There were very few continuances. So, I know more about the case than I would if it was more from the old days, so to speak, a class action approach. And more and more we see what you all agree to here, the bellwether trial approach. I know more about the individual cases than a judge typically would at this stage. So, I can say honestly, and I would to each of the Plaintiffs if they were here, that not only do I believe that they will receive fair treatment if they opt in and participate in this agreement, but I would make the observation that they might get more fair treatment than if they stood alone. Because many of these cases would be very difficult for stand-alone cases, and they will have that option. But, I think that was appropriately considered

by the lawyers, the lead lawyers for the Plaintiffs, appropriately considered by Guidant.

And so, I believe that not only is the result fair, globally, but the way it has been structured and with the discretion given to the Court, the Special Masters, Judge Boylan, that it gives an opportunity to treat cases fairly, but yet individually, in a way that balances the interests of the group as a whole, but each individual Plaintiff standing on his or her own, and of course Guidant Corporation.

So, I will recommend it. I believe it is not only a fair settlement, but we now have a procedure set up in place, and we will continue to give it priority, so that we will move on a meaningful timeline and a summary timeline will go up on a variety of websites.

We have appointed, and we will formalize that by order, Analytics as a claim administrator. And one reason they were selected -- there are a lot of great claim administrators out there. One reason they were selected was their immediate response to individual questions by lawyers, plaintiffs, defendants and clients, and also to proceed in a cost-effective manner so that the most amount of money in the settlement can reach the Plaintiffs individually in the case.

So, I am confident that with them on board in

the context of this agreement that we can proceed in all due course.

And so, without any reservations whatsoever, we will do our part, and I am hoping that the Plaintiffs will review it carefully and opt into what I consider to be a difficult 15 months, to the extent it has been a -- I believe I heard Judge Boylan say once or twice, he doesn't recall a case where the lawyers and himself have spent that much time on trying to work out the fine details in the mutual best interests of all concerned. And that is how I see the case, as well. And so, I am proud to recommend it. And I will do my part on those aspects of it in a timely way that are left to my discretion.

I would like to say this before I see if

Judge Leary or Judge Boylan have anything to say. These
things don't happen in a vacuum. We are blessed in this

District with a talented Judge like Judge Boylan. And
he doesn't like it when people talk that way, but I

mean, it is true. It is accurate. And so, actually,
everybody has benefited, Plaintiffs and the Defendant,
from not only his extraordinary involvement in the case,
but also very cost effective when he is part of the
Federal Court.

So, he has worked countless hours on the case

and made the rest of us, I think, look better for it.

So, I appreciate that very much. And we work well together as a couple of Judges who have known each other for a long time. So, it has been my privilege to have him on board, the two of us working together. Even though it was the parties' agreement that first brought Pat Juneau to the Federal Court here in Minnesota, I would like to thank Pat for his work. The three of us have been on the phone quite a bit more recently than in the early months, but he has always made himself available whenever I had questions, and I know Judge Boylan feels the same way. So, I have had every reason to believe that that is not going to change.

And then I would like to think I would behave the same way with Judge Leary if I hadn't been a State Judge for nearly 14 years before I came here in 1998.

But, I appreciate very much -- I have to maintain my independence, he has to maintain his. But, yet, I think we had the communication lines open so we could each carry out our oath and responsibility, but yet we could work together. Because I think the criticism of lack of coordination between the Federal and State system doesn't mean that everybody is always going to agree, but it means that we were able to communicate and coordinate. And I appreciate very much Judge Leary

being here and I appreciate that we have been able to try to coordinate so we could do our job and the State system through Judge Leary could do theirs.

And last, but of course not least, I would like to thank all of the Plaintiffs' lawyers and the lawyers for Guidant. Because, as you know, the MDL's, at least in the Federal system -- and we are not done yet, of course, but the MDL in the Federal system is the only non-random assignment that a Federal Judge gets in a case.

And I suspect that is true with Judge Leary. He wasn't randomly assigned the case and forced to take it. So when people asked me, well, if you didn't have to take it, why did you? And I said, well, there are probably many reasons. Two that come to mind is they are very interesting cases. And with few, if any, exceptions, you work with a very talented group of very well-prepared lawyers. And so it makes it all kind of worthwhile.

And so, probably enough said, and I hope that we can carry on this success to get a 95 percent plus participation rate and conclude the settlement with payouts in the best interests of all parties.

Judge Leary?

THE HONORABLE JUDGE LEARY: I would like to

make just a few remarks. There has been some comment with regard to cooperation of the courts. The level of cooperation, to the extent there was cooperation in this case, is really only out of the generosity of Judge Frank.

I don't know how common it is for Federal Judges to reach out to other judges from other jurisdictions, particularly State Court jurisdictions, but if there is a template or model for that, it certainly is Judge Frank.

I don't know that anything more can be said about Magistrate Judge Boylan's efforts. I probably suspect that there aren't words adequate to really summarize all of the hard work he has done. I do attribute it to Judge Boylan's Chicago roots, which I share, and I don't think he has forgotten them. But, it has been a pleasure working with both of them.

Judge Frank is absolutely correct in terms of why -- in terms of why I would accept an assignment like this, it is because I did anticipate that I would be able to work with very good lawyers. I will get back to that in just a moment.

I do believe that this is a fair and just settlement. I think that the parties have worked very hard in getting to this point. I think it is a

settlement that both sides can be proud of. And we all know that the ultimate test of whether or not we are all right in that judgment will come from the participation that does occur in this case. But, I am hopeful it is a settlement that the public and those people who are claimants in this case will understand as being fair and equitable in all respects.

I have enjoyed the opportunity to preside over the State Court litigation with regard to many of the attorneys here. All of you are very handsomely compensated. And for that a lot of times lawyers will be criticized for that aspect; but, it doesn't change the bottom line. The value of a lawyer is really in the service that they present to their clients and to the Court. And I think all of you have been models of the highest form of professionalism and fairness that lawyers can exhibit, and you deserve to be well compensated for that.

With that, I want to thank you all, and I look forward to seeing this matter concluded in the middle of next year.

THE HONORABLE JUDGE DONOVAN FRANK: Thank you, Judge Leary. Your Honor?

THE HONORABLE MAGISTRATE JUDGE BOYLAN: Thank you, Judge. Thank you for all of the kind words. First

of all, let me say that I have never settled a case. I have been a Judge or a lawyer for over 30 years and in all of those years in all settlement efforts, I have not settled one, because I don't settle cases. I just assist people in helping them settle cases.

And this was a tough, knock-down, no-holds barred brawl in many respects. But, I also think that it was very evident to me throughout the proceedings that both the Plaintiffs' side, as well as the Defense side had one overreaching goal, and that was to not forget the patients, and the best interests of those people who were clients or patients and who would use the devices at issue.

I think the hard work of both sides and the hard-fought battles resulted in a wonderful settlement for thousands of people. And I would certainly join in Judge Frank's comments about his review of the case, review of the settlement, and his recommendations concerning the same.

I think it is a fair and equitable resolution of a very complex, legal and factual set of circumstances that would be well to have each lawyer who represents Plaintiffs take a real good look at and to recommend to their clients.

And with that, I will not say anything

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further.
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                THE HONORABLE JUDGE DONOVAN FRANK: We are
    prepared to adjourn. And then if we need to get
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    together for a short time after, whether it involves us
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    or involves some contact between the claim administrator
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    folks and some of you; that is fine.
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                But, before we do that, on behalf of the
    Plaintiffs, anything further, Mr. Zimmerman.
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                MR. ZIMMERMAN: No, Your Honor. Nothing
    further.
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                THE HONORABLE JUDGE DONOVAN FRANK:
    Pratt, on behalf of your client?
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                MR. PRATT: No, other than I express our
    appreciation to the Panel for the kind comments.
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                THE HONORABLE JUDGE DONOVAN FRANK: Mr.
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    Juneau, anything further on your own behalf.
                SPECIAL MASTER JUNEAU: No, sir. I think
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    that completes the record, Your Honor.
                THE HONORABLE JUDGE DONOVAN FRANK: We are
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20
    adjourned. Thank you.
21
                (Adjournment.)
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                Certified by:
25
                               Jeanne M. Anderson, RMR-RPR
                               Official Court Reporter
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